GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:762
ANSWERED ON:17.08.2007
CREDIT BY NABARD
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Will the Minister of FINANCE be pleased to state:

(a) whether the National Bank for Agriculture and Rural Development (NABARD) propose to commemorate silver jubilee;

(b) if so, the details thereof;

(c) whether NABARD also proposes to disburse loans by way of production credit;

(d) if so, the details thereof; and

(e) the number of farmers are likely to be benefited by this programme, State-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : NABARD completed 25 years of service to the Nation on 12th July, 2007. A function to commemorate the Silver Jubilee celebrations of NABARD was organised on 20th July 2007 at the Bank`s Head Office at Mumbai. Union Ministers of Finance and Agriculture and the Chief Minister, Maharashtra attended the function.

(c) to (e) : NABARD neither lends directly to the farmers nor has any proposal to lend directly to the farmers as it does not have the infrastructure and organizational set up to do so. However, NABARD provides refinance to banks for Agriculture lending. During the year 2006-07, NABARD has provided Short Term (Seasonal Agricultural Operations) (ST-SAO) refinance to State Cooperative Banks (SCBs), on behalf of eligible District Central Cooperative Banks (DCCBs), at concessional rates of interest of 2.5% p.a. with interest subvention from Government of India.`The condition for availing this refinance is that Cooperative Banks provide crop loans upto Rs.3.00 lakh per borrower at a rate of interest of 7% per annum. The rate of interest on this concessional refinance shall be 3% p.a. for the year 2007-08. However, the rate of interest for borrowers for crop loan upto a principal of Rs.3.00 lakh remains the same. The rate of interest of NABARD is 4.5% p.a. in case of refinance to Regional Rural Banks (RRBs) for providing Short Term Production Credit to the farmers at 7% p.a.